

The AMERICAN OBSERVER

A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. —James Monroe

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Soviet Russia Ends Five Year Program

Great Progress in Industrial Construction Noted Since Plan Was Inaugurated

BUT MANY OBSTACLES REMAIN

Masses Seem Still Opposed to Idea of Establishing Socialized State

The Five Year Plan, first stage of Russia's much discussed effort to modernize and socialize a backward agricultural nation according to an established program, has come to an end. The plan officially terminated on December 31, four years and three months after its inauguration instead of the five years originally contemplated. Two years ago, the Soviets became so well satisfied with the progress they were making that they resolved to finish the Five Year Plan ahead of time. This they have done and now they are preparing to start on a second five year plan.

Nature of the Plan

Naturally, the question which comes to mind at this turning point in the history of the Soviet experiment is, has the plan been a success? Have the Soviet authorities managed to lay the foundations on which to build a communist state? It seems at this time that the answer to this, as to so many questions of paramount importance, must be yes and no. In some respects the Five Year Plan has been a huge success, in others it has not achieved what was expected of it.

Before we can pursue this inquiry into the achievements and failures of the Five Year Plan, it is necessary that certain facts concerning the project be made clear. It is important to remember that the plan is not so much a hard-and-fast program of definite and set schedules, each of which must be fulfilled to insure its success. In fact, schedules and figures are being changed constantly to meet conditions as they arise. The success of the plan cannot be appraised only in terms of the millions of barrels of oil which have been produced, the millions of tons of coal which have been mined, or the factories, power plants and railroads which have been constructed. The Five Year Plan means more than just this.

It is important to bear in mind that the plan is the first stage of an effort to organize a nation according to an orderly program, to develop resources and industries in such a way that the entire nation will function like a great piece of machinery with each part in its place working smoothly and in harmony with the multitude of others about it. And, this organization is to take place on a socialized basis—a basis of public ownership and operation rather than of private enterprise such as exists in this country.

When the Soviets determined to proceed according to an orderly program in their effort to socialize Russia, they came to the conclusion that it would be a good idea to divide their program into five-year periods. This permitted them to work with short periods of time. It is easier to plan for few years than for many. It is more advantageous to take stock every so often and to make the necessary readjustments.

(Concluded on page 8)



—Darling in N. Y. HERALD-TRIBUNE
HOW THEY DO SLIP BY

Character and Intelligence

Dr. Nicholas Murray Butler, president of Columbia University, in making his annual report last week to his board of trustees, placed a needed emphasis upon the development of character and the cultivation of manners. The schools, he says, pay a disproportionate amount of attention to the testing of intellectual achievements and too little to evidences of a proper moral and social progress. "The fact of the matter is that these intellectual tests should rank third in estimating the educational progress of the student," according to Dr. Butler. "Evidences of his character building should come first," he says, "and evidences of his good manners and respect and concern for others should come second; and these lacking, no amount of intellectual performance of any kind should win him advancement or graduation. Such a one would not have been educated at all; he would only have been instructed in some degree in the subject matter of a given field of knowledge. It is for such reasons as these that the first question to be asked of candidates for admission to college or to professional school should have to do with character and good manners, and then should come the questions which bear upon the candidate's mere intellectual performance." It is hard, of course, to assign relative importance to characteristics or achievements, all of which are necessary to successful or happy living. And a question may be raised as to the desirability of assigning intellectual discipline to third place at a time like the present when millions of well-intentioned people are in distress because they have not learned how to think through the problems of associated life. But it is a fact that too little stress has been placed upon the desirability of sound character and pleasing manners. Without these characteristics one cannot be a good citizen, or a good neighbor. If one has a fair measure of intelligence; if he has sound common sense and judgment, he can get along tolerably well without fine powers of intellectual discrimination. He cannot be a leader of thought; he cannot assist much in the solving of the problems of humanity or of his country, but he can be a successful business man, a good neighbor, a happy individual. He can be all this provided he is unflinchingly honest, thoroughly dependable, and agreeable in all his relations with his fellows. If one is not an intellectual genius he need not be discouraged. He may resolve to develop the virtues of honorable living and the habits which spring from genuine friendliness and good will. All of us can do that. And those who have a marked capacity for intellectual development may round out their personalities with the acquisition of poised and detached thinking on a high plane.

Government Finance Raises Sharp Issue

Hoover, in Message to Congress, Recommends Sharp Economies and General Sales Tax

MANY OPPOSED TO ACTION NOW

Believe Government Should Continue Borrowing Until Depression Lifts

Government finances and the federal deficit constitute one of the major problems before the nation today. Congress will spend a great deal of time between now and March 4 discussing ways of bringing the debit and the credit sides of the treasury's ledger into balance. President-elect Roosevelt has been conferring with experts on government finance in an effort to devise a workable plan to balance the budget according to Democratic campaign promises. President Hoover's position is now well known. He has outlined it in his recent budget message to Congress. In the midst of this struggle, which cannot, of course, be completely settled by the present short session, there are controversies on all sides over methods of solving the problem, discussions of new taxation, economy measures, and other means of putting the government upon a sound financial footing.

Budget Message

Before considering the various issues connected with the problem of government finance, let us examine briefly the actual state of affairs. This may best be done by referring to President Hoover's budget message which was submitted to Congress two days after it met. This message contains a statement of how much money will be required to run the government during another year, and estimates the amount of revenue forthcoming from taxes, customs duties and other sources of income. Since the national treasury always closes its books on June 30, the latest budget covers the period from July 1, 1933 to June 30, 1934. These figures must naturally be given to Congress several months in advance so that they may be studied by committees and the money appropriated before Congress adjourns. Otherwise, there would be no funds to pay government employees' salaries, to keep up the public buildings, to finance public works and to carry out the other activities of the federal government.

A mere glance at the budget presented by Mr. Hoover shows that it costs a great deal to run the national government. If Congress complies with the president's requests, it will appropriate \$4,218,808,344 for the next fiscal year, starting July 1. Thus, the treasury spends an average of more than \$11,000,000 every day of the year. This, if distributed equally among all the people of the country, would mean a contribution of about \$34.40 from every man, woman and child. Even such a large sum is smaller than the amount spent during the present year, for it is expected that by the end of June the national government will have spent nearly \$5,000,000,000. But an annual budget of more than \$4,000,000,000 does show a marked increase in government costs during recent years. About twenty-five years ago, the total expenditures amounted to only \$600,000,000, or about \$7 for each person. Since that time the total cost has increased more

than sevenfold and the per capita cost approximately fivefold.

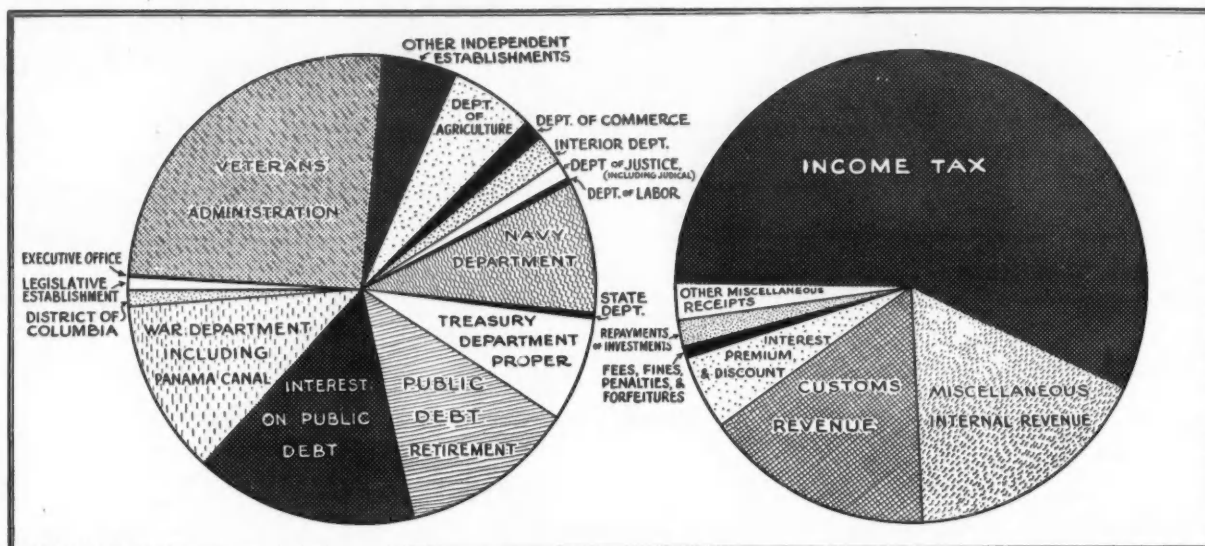
Why Costs Are Up

It is this increase in the cost of government—not only national, but state and local as well, for the latter are more expensive than the federal government—that has caused such violent protests against high taxes and insistent demands for cheaper government. What is the cause of this increase in the expenses of the national government? Where does the money go? Are the present costs the result of waste and extravagance, or are there other reasons? These are questions which thoughtful citizens must answer if they are to find ways of changing the situation.

The heaviest item of expense on the treasury's ledger is the national debt. During the next year, the government will have to pay \$725,000,000 in interest on the bonds and notes it has issued in the past. This money goes to the individuals, banks, insurance companies, trust corporations and other institutions which have bought Liberty bonds and other government securities. In addition to this, the treasury must set aside a total of \$534,000,000 as a reserve to pay off the principal of these debts when it falls due. This reserve, or sinking fund, avoids the difficulty of having to raise all the money at one time, for when a definite amount has been set aside each year, the debt can be retired with comparative ease. These debts are, for the most part, the direct result of the war. The government had to borrow billions at that time. It is now paying the costs and these national debt items alone eat up more than one-fourth of the government's money.

The next largest item of expense is the veterans' administration. In his budget message, Mr. Hoover requested Congress to appropriate nearly \$1,000,000,000 for that department. This appropriation will be used to pay pensions to dependents of soldiers killed during the war, to keep up the many veterans' hospitals scattered throughout the country, to pay bonuses and otherwise to give benefits to ex-soldiers. Then, the Navy Department will require more than \$300,000,000 and the War Department almost as much. The total of these four major items—interest and principal payments on the national debt, veterans' expenditures, army and navy costs—is roughly two and three-quarters billion dollars, or more than three-fifths of the entire budget. Thus, more than sixty cents of every dollar spent by the national government goes to pay for past wars or to prepare for future wars.

It can be seen by these figures that if federal expenses are to be substantially reduced—by one-third or one-fourth—the government must apply the pruning knife to these major items. The interest payments cannot be touched for in refusing to pay interest on its notes and bonds the



—Prepared for the Civic Education Service

HOW THE GOVERNMENT SPENT ITS MONEY LAST YEAR AND THE SOURCES FROM WHICH REVENUE WAS DERIVED

government would be repudiating its contracts. To reduce the other items, the government would have to cut the size of its army and navy and reduce the amount of funds paid to veterans.

Hoover Recommendations

In order to meet the problem of an ever-increasing gap between income and outgo during the past three years, President Hoover has repeated the plea for economy in his message. He would trim \$127,000,000 from the amount paid to veterans by abandoning compensation for injuries or illness not directly connected with the war. In the view of many, this saving could be trebled. The National Economy League and the United States Chamber of Commerce claim that the expenses of veterans' administration could be reduced by more than \$400,000,000 annually without curtailing adequate compensation to those suffering from injuries or illness directly connected with the war. The president contemplates other savings in the reduction of government employees' salaries by 11 per cent, the slowing up of public construction, the curtailment of federal aid to the states for highway construction, and other economies. He estimates these economies at \$580,000,000.

It is admitted by the president and everyone familiar with the problem that, in spite of these economies, the budget will still be out of balance unless, of course, new sources of income are found or an upturn in business increases the yield of the present taxes. The major controversy arises at this point. Opinion in and out of Congress is divided as to what should be done about the unbalanced budget. President Hoover and presumably a majority of Congress believe that steps should be taken

to balance the budget by levying new taxes. The president has recommended a general sales tax of 2½ per cent on all products, except food, as the principal source of new revenue. Congress does not appear kindly disposed toward this particular method of solving the problem since it defeated overwhelmingly the sales tax during the last session. Many people believe the best way to meet the situation is to increase the income tax and to make it apply to lower incomes. Finally, there is a group which is opposed to additional taxes, further economies and which believes the national government can best serve the interests of the country by borrowing. Let us examine more fully each of these

conflicting views on government finance.

Conflicts

Those who are urging a balanced budget base their contention upon two claims. First, they assert that the government is endangering its credit by not living within its means. The government, no more than an individual or a business organization, cannot go on indefinitely spending more than it receives and making up the deficiency with borrowed funds. Its credit will soon waver. Its bonds will depreciate in value. People will lose confidence, start hoarding their cash. Thus, banks will be put under a heavy strain and many of them will fail.

The second contention of this group is that the government is directly injuring business and retarding recovery from the depression by its policy of borrowing. When the government borrows money to pay its expenses, they say, it is using money which otherwise would go into productive channels, stimulate business activity, and start a rapid upgrade trend. If banks lend their surplus funds to the government, they cannot lend them to the manufacturer who wishes to purchase raw materials, the merchant who wants to buy goods from the factory or any business man who is in need of borrowed money to expand his activities. This position has been taken by Mr. Walter Lippmann who, writing recently in the *New York Herald-Tribune*, said:

If this objective could be achieved (a balanced budget), the pressure of these surplus funds in the banks would be vastly increased and the incentive to invest them in enterprises augmented. For as long as the Government continues to borrow and provide the banks with a safe, even if unprofitable, way to use their funds, these funds will be far less likely to flow into investments that could provide employment and trade.

While members of this group agree that the budget should be balanced, they are not in accord as to the best method of accomplishing it. The greatest conflict of opinion is between the advocates and the opponents of the general sales tax, recommended by Mr. Hoover. The supporters maintain that the sales tax is the most certain way of raising the necessary money because it would tax all commodities except food and furnish a sufficiently broad base. The opponents attack this form of taxation because it bears more heavily upon the poor than the rich. Since the poor spend proportionately more of their income for goods than do the rich, a tax upon these goods will place exceptionally heavy burdens upon them. The pros and cons of the sales tax argument will be expounded at length during coming weeks as the matter is now under consideration by congressional committees.

Others believe that the needed revenue can be obtained without recourse to the sales tax. Among these are the repealists who want to do away with national prohibition as quickly as possible and impose a heavy federal tax upon all liquors; the

modificationists who urge the immediate legalization and taxation of beer; and the advocates of a broader income tax.

Opposition

The final conflicting view is between this entire group and those who are opposed to balancing the budget during the period of depression. In the opinion of this latter group, the government would be doing more harm than good by cutting salaries, curtailing public works and enforcing rigid economies. The government could borrow several billion dollars more, they declare, without straining its credit. Every time the treasury announces that it has additional securities to sell in order to raise money, there is a huge demand for them—a demand many times greater than the supply offered for sale. In other words, the government can now borrow heavily at very low rates of interest in spite of the tremendous borrowings it has made during the past two years or more. Members of this group point out that the banks have billions of surplus funds which they are not lending to private industry and which would not flow into those channels even if the budget were balanced and the government did not have to resort to borrowing. Bank loans to private enterprises will be resumed, it is felt by this group, only when bank officials feel certain that their funds will be safely invested and when commercial concerns are convinced that business conditions are such as to warrant increased activity.

This group contends, furthermore, that, in the long run, the government is not really running behind. While it has not collected as much as it has spent since 1930 and has piled one deficit upon another since that time, the treasury had surpluses for eleven years prior to 1930. During those "fat" years, the government paid all its expenses and paid about \$3,500,000,000 more on the national debt than was required by law. Hence, they say, it could well afford to borrow back part of this money during the present "lean" years. Those who follow this line of reasoning would have the government pay off as much of its debt as possible during the years of plenty when people are in a position to pay higher taxes and then, when incomes shrink, as they have done during the past three years, they would have the government borrow the funds with which to carry on its normal activities.

Diplomatic formality was shunned by France's new premier, M. Paul-Boncour, when he recently called on Walter E. Edge, our ambassador to France, to discuss the war debt problem. (See page 4.) "I am Paul-Boncour and I would like to see Ambassador Edge," he said to the attendant at the American embassy. He was escorted to the elevator; it was found to be out of order. The new premier laughingly walked up to Mr. Edge's office saying: "After all, elevators do get out of order in France sometimes."



SPORT FOR SPORT'S SAKE

—Talbot in Washington News

Congress Favors Granting Philippine Independence

**Both Houses Have Passed Bills to Free Islands
But Presidential Veto Held Likely**

The question of Philippine independence is in the most advanced stage it has been in since we gained possession of these Pacific islands. On December 17, the Senate voted to grant independence to the Filipino people, and it will be remembered that the House of Representatives took similar action last April. The two bills disagreed on several points, but a joint committee of Senate and House members ironed out these differences. The bill in its final form then went back to the Senate where it was passed by a large vote and it is expected to be approved by the House in similar fashion. Thus, it would seem as if the Filipinos should soon be independent. But there are several obstacles yet to be removed. First of all, however, we shall briefly give the provisions of the compromise bill.

First, the Filipino people shall be authorized as soon as the bill becomes a law, to convene in a constitutional convention for the purpose of drawing up a constitution for ten years, after which time the United States shall withdraw its control. They shall have complete control of their own affairs during that time except for minor reservations. This ten-year constitution shall then be submitted to the president of the United States for his approval. If he accepts, the people of the islands will have the opportunity to vote for it, and the outcome of this vote will show whether they want independence or not.

Trade relations between the United States and the islands would be greatly altered under the compromise bill. Exports of certain products now entering American markets duty free would be subject to certain limitations. Only sugar, coconut oil and hemp products would be granted free access, and these only in limited quantities. And at the end of the ten-year period Philippine products would be subject to the same tariff rates as other foreign countries.

Immigration of Filipinos into this country would also be drastically curtailed under the terms of the compromise measure. Only fifty of the islanders would be allowed to enter the United States each year. Under the present system, the United States places no restrictions upon the number of Filipinos who may take up residence in this country. According to the Department of Labor, there were 11,360 Filipino immigrants in 1929; 8,173 in 1930; and 4,606 in 1931. Instead of becoming effective when the island people receive complete autonomy, this feature of the bill would be put into operation at

the beginning of the ten-year period.

These are the main provisions of the bill. Of course, before it is enacted into law it must receive the signature of President Hoover. And the president has indicated that the bill is distasteful to him in several respects. He and many others believe that the Filipino people should have the right to vote on the direct question as to whether or not they want freedom. It is to be noted that they are not afforded this opportunity by Congress. The president and most Filipinos claim that the method of voting for a constitution to see whether the people of the islands want independence would be unfair, because the people might not like the provisions of the constitution, but that would not mean that they did not want independence. The president also believes ten years to be too short a time for complete independence. He contends that a minimum of fifteen or twenty years should be granted to the Filipinos to enable them completely to adjust their affairs.

As matters stand at present the important question is not whether the islanders should be granted their freedom or not. Public sentiment appears to have taken a big swing in favor of independence. The real issue is under what conditions the Filipinos should be given their freedom. Many believe that the United States should not yield too much to the sugar interests and to labor organizations in this country which are clamoring for an abrupt break between the two countries in order that Filipino products and labor may no longer enter this country unrestricted. These persons think that the Filipinos should eventually be given their independence, but that we are obligated to do everything within our power to make things easy for them at the outset.

ALLOTMENT PLAN

Both President-elect Roosevelt and members of Congress are working ardently to find a remedy for the pathetic state of agriculture in this country. Several measures are under consideration, but the "voluntary allotment" plan is receiving

the most attention at the present time. Mr. Roosevelt, during his campaign and particularly in his speech at Topeka, Kansas, on September 14, indirectly referred to this plan and gave it his approval. It would insure the producers of wheat, cotton, tobacco and hogs higher prices for their products. A tax would be collected on these farm commodities and the proceeds turned over to the farmers. The tax would be imposed on the processor—in the case of wheat, from the miller; in the case of cotton from the textile mills, and so on. These processors, of course, would be forced to raise their prices on the finished products, and this would be an additional expense to the consumer.

BANKING REFORM

There is quite a movement among congressmen at the present time to revise our banking laws. This is not difficult to understand when it is realized that since 1920 there have been over 10,000 bank failures in this country. In England where the depression has existed a great deal longer than here, no banks have been forced to close their doors. Their system is much more centralized than ours.

One of the most active among those who believe our banking laws need to be revised is Senator Glass of Virginia. He is sponsoring a bill now being discussed by the Senate Banking and Currency Committee. It will be debated in the Senate on January 5. It proposes a number of restrictions on banks which Senator Glass and others believe would make bank failures much less possible. For one thing, it would greatly strengthen the Federal Reserve System.



LEGISLATIVE BUILDING IN MANILA
(Illustration from "Philippine Uncertainty" by Harry B. Hawes. Century.)

THOUGHTS AND SMILES

You don't have to collect bills; they just accumulate.
—Schenectady GAZETTE

A Boston woman wants Professor Einstein barred from this country on the ground that he is a dangerous alien. But then she's not the first person who misunderstood Einstein.
—Dayton DAILY NEWS

Some heaven-sent genius has invented a machine that deals the hands for a bridge game. Now we may expect a device that will administer a kick on the shins to a careless bidder.
—Milwaukee SENTINEL

"It is not well to seek learning always afar," said Hi Ho, the sage of Chinatown. "One who remains continually on the roof with a telescope may miss much of interest in his own home."
—Washington STAR

"Why don't they play popular tunes on the bagpipe?" asks a subscriber. Well, we suppose it's because they want popular tunes to remain so.
—Eureka HUMBOLDT TIMES

An educator points out colleges formerly taught eight subjects and now offer 250. Probably evidence of the great search for subjects that the football players can pass.
—Toledo BLADE

Governor Pinchot says that people think too much about their bank rolls. Aw, shucks, Governor, what's the harm in reminiscences?
—Sioux City TRIBUNE

If Mr. Stalin really wants America to learn something about Russia he'd better introduce simplified spelling over there.
—New York HERALD-TRIBUNE

We are now waiting for some scientist to perform a real service for humanity by putting vitamins in something that's fit to eat.
—Philadelphia INQUIRER

The world's greatest optimist has been discovered. A fellow in Virginia is trying to reopen a miniature golf course.
—Greenville PIEDMONT

So the money now in circulation is \$45.13 per person? Oh, is it? Then we have a legitimate kick. It developed poor circulation before it reached us.
—Philadelphia INQUIRER

The beer-thirsty are trying to decide whether the kick shall be by weight or by volume. Our guess is it'll be by wait.
—Dallas NEWS

In the event some men get to heaven, their criticism will probably be that gold paving is hard on the arches.
—Philadelphia INQUIRER

Henry Ford will not retire, and he is "going to live to see the standard of living go higher than ever." We hope he's right. But it certainly has had a temporary setback.
—Philadelphia INQUIRER

We are not quite so glib as we were a year or so ago in seeing naught but evil in the English dole and that without knowing much about its real purpose and workings.
—William H. Matthews

A German professor says that man doesn't show up well with animals in a hunger test. But he's had more practice lately.
—New York HERALD-TRIBUNE



BUSHELS OF WHEAT—ON THE WAY TO AN UNPROFITABLE MARKET
Is there a way to restore prosperity to the farmer? Congress is considering a number of proposals at present.

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VOL. II

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NO. 16

The Story of the Week

ORDINARILY Congress is in recess during the holidays. The vacation period extends from the week before Christmas until the beginning of the new year. But the times are now unusual. The country faces many critical problems. A great number of issues are before Congress. There is much work to be done and the time is short. Accordingly, a shorter recess was taken this year—from the Friday before Christmas until the following Tuesday. Before the recess was taken an important measure was passed by each house. The Senate passed a bill providing for Philippine independence. A similar bill had been passed at the last session by the House of Representatives, so the measure went into the conference committee in order that a measure acceptable to both houses might be worked out (see page three). The House of Representatives passed a bill legalizing the manufacture of beer containing as much as 3.2 per cent of alcohol. Since the passage of the Volstead Act in 1919, it has been illegal to manufacture any kind of liquor containing an alcoholic content of more than one-half of one per cent. This beer bill has now gone to the Senate, where it is being considered. A Senate committee is also preparing a resolution providing for the repeal of the eighteenth amendment. The House of Representatives voted on a resolution of that kind shortly after the session began, but failed by a few votes to give it the two-thirds majority which a resolution submitting a constitutional amendment to the states must have.

THE proposals to legalize beer and to take prohibition out of the Constitution have become a source of great worry to members of Congress. Until this winter Congress has been overwhelmingly dry in both branches. Whatever the senators and representatives have thought personally about prohibition, and whatever their personal habits may have been, they have in large majority voted dry because they have assumed that the voters in their states and districts favored prohibition. Many of these members of Congress inter-

preted the election in November as an indication that the dry cause was becoming unpopular and that the people of the country were turning away from prohibition. Accordingly, a large number of representatives, hitherto dry, voted to repeal the eighteenth amendment, and announced their support of the legalization of beer. Then an interesting thing happened. The members of Congress began to get letters and telegrams from back home. These letters and telegrams poured in upon the congressmen in a great flood, and most of them were calling for the support of prohibition. The dries had not made a good showing in the November election, but they proved themselves prolific letter writers. The wets, on the other hand, did not write many letters to their congressmen. Perhaps they felt that the fight had already been won. But for some cause, or causes, it came about that the congressmen were swamped with dry protests.

This put them in a state of panic. Now and then there is a man in Congress who goes calmly about his way, standing for whatever he believes in, regardless of opinion back home; but a congressman of this kind is an exception. Most of them look upon themselves, not as instructors of the people, not as molders of opinion, but as followers of the wishes of their constituents. So representatives who had voted for the repeal of the eighteenth amendment and who had announced their support of beer, were badly scared for fear they had misinterpreted the sentiment of their people. Many of them had visions of a loss of their seats when the next election comes in two years. That is why there is great anxiety in Congress now as it becomes necessary to take a definite stand on the issue as to whether beer shall be legalized and as to whether the eighteenth amendment shall be repealed.

NEITHER house of Congress has finished its work on problems relating to government finances. It is generally assumed that the budget should be balanced—that the government should spend no more than it is able to collect from the people. The leaders of both parties agree that this course should be followed. Certain economists hold to a different view. They say that in a time when business is poor, as it is now—in a time of depression—the government should give work to as many people as possible; it should maintain all its services; it should dismiss none of its employees; it should add to its expenses by public building and by other operations designed to give employment; it should secure the money necessary for maintaining all these services by borrowing funds through the issuance of bonds. It is argued that this money, borrowed during a time of depression, should be paid back when times are good. The government should then economize, since private business concerns are furnishing employment to the people; it should levy heavy taxes inasmuch as people are relatively prosperous,

and it should then pay back the money it borrowed during the lean years.

But that is not the view which prevails in Washington. Everyone is saying that the budget must be balanced, though no one has yet stepped forward with a plan which promises certain balancing. There has not yet been an agreement as to where the expenses should be curtailed and there is no agreement as to the kind of new taxes which should be levied.

WHEN December 15 came and the payments were due from the nations owing money to the United States government, Great Britain, Italy, Czechoslovakia, Finland, Latvia, and Lithuania met their obligations by the making of the semi-annual payments. They had asked for a postponement of these payments until the question as to whether there should be a revision of the debt terms could be carefully considered. But when the United States government refused to give more time, the nations which have been mentioned paid the sums due. France, Belgium, Estonia, Hungary and Poland, failed to make payments. They did not formally default; that is, they did not announce their refusal to pay. They are asking for negotiations to consider a revision of terms. But pending a revision settlement they are withholding the payments which came due December 15.

EDOUARD HERRIOT, recent premier of France, has held all the time that the payments should not be insisted upon by the United States. He has asked for a revision of the terms. He, along with other Frenchmen, believe that since France has been deprived of the payments she had been receiving in the form of reparations from Germany, she should not be required to pay the debts owed to this country. He has believed that the payments on the debts by the debtor nations would unsettle the currencies of these nations, would lead to falling prices the world over and to an intensification and deepening of the depression. And yet he argued that since the United States would not permit a postponement of the payments, France should pay the money due, rather than default. He failed to convince the French Chamber of Deputies. That body voted him down and refused to appropriate money for the December 15 payment to the United States. Herriot was, of course, obliged to resign, since he had been voted down on an important matter. His place was taken by Joseph Paul-Boncour.

M. Paul-Boncour's position is not far from that of M. Herriot. Shortly after assuming office he called on the American ambassador to France, Walter E. Edge, to talk over the situation and see if some plan of payment which would be accepted by the Chamber of Deputies and the American Congress could not be worked out. The present situation, then, is this: Premier Paul-Boncour of France and President Hoover of the United States are anxious to come to some reasonable terms. Each is ready to make certain concessions, but each has on hand a national legislative body which refuses to compromise or make concessions.

A DIFFERENCE of opinion has developed between President Hoover and President-elect Roosevelt as to the way negotiations should be carried on between the United States and the nations owing this country money. President Hoover has declared that a commission should be set up immediately to begin negotiations concerning the debts. He says that the



CAUGHT IN THE BLIZZARD

—Brown in N. Y. HERALD-TRIBUNE

problem is a dangerous one and that unless it is solved quickly the world may be plunged deeper into depression. He has recognized the fact that the responsibility of settling the problem would rest, not with his administration, but with that of Governor Roosevelt. And yet he has felt that something should be done toward effecting a settlement before the fourth of March. He therefore called upon Governor Roosevelt to join with him in the appointment of a commission to begin negotiations.

Governor Roosevelt replied that he was willing and ready to cooperate; that there was no reason why President Hoover could not, through the regular diplomatic channels, begin the work of fact finding upon which the decision later should be based. The governor said that he himself would be glad to be kept informed as to what was going on, but he did not think it best to appoint a commission with authority to make decisions until he should assume office and be in a position to take responsibility for the decisions. He thought that if a commission should be appointed and set to work now some of its work might have to be undone after the fourth of March, or else his administration might be committed to policies in which he did not believe.

Political observers of both parties, when they speak confidentially of this exchange of views between President Hoover and President-elect Roosevelt, say that both these men are actuated somewhat by political considerations. They say that President Hoover is already planning to recapture the presidency in 1936. In proposing that Mr. Roosevelt cooperate with him in the appointing of a commission to settle the war debts, he had in mind, so it is said, that if the president-elect accepted the suggestion, and if the commission were then appointed by President Hoover and if it did the work successfully, Hoover, and not Roosevelt, would get most of the credit. If, on the other hand, Governor Roosevelt refused the suggestion (as he did), the impression would be created that the president-elect had refused to cooperate with the retiring president in dealing with an important international problem. It is commonly believed that Governor Roosevelt is as thoughtful as the president is as to the political consequences of steps which are taken, and that he is as anxious that credit for any settlements which are made shall fall to his administration, as President Hoover is that the retiring administration may receive credit. Both men want to do all they can to better the economic situation of our nation and the world, but those who are in a position to be well informed agree that both of them are listening to the demands of political expediency, as well as to demands imposed by the world economic situation. W.E.M.



REMEMBER THE OLD POND ISN'T ENTIRELY FROZEN OVER

—Hanny in Philadelphia INQUIRER

WITH AUTHORS AND EDITORS

We read old books for their excellence, but new ones to share in the mental life of our time.—SATURDAY REVIEW OF LITERATURE.

Noted Author Dies

Those of our readers who have followed the work of Paul Cohen-Portheim will be sorry to learn that he died recently in Paris. This talented writer, though a German, can scarcely be credited to any one nation. He was cosmopolitan in his experiences and his interests. He spent his childhood in Vienna, but lived at different periods in Berlin, Paris, Seville and London. He became well known a few years ago through his critical analysis of the English people and their institutions; "England the Unknown Isle." He was an artist, as well as a writer, and when the war broke out he was in England engaged in painting. Since he was a German he was interned during the war and his book "Time Stood Still" is a record of his experiences and observations during the period spent in the internment camps. Last fall he published an analysis and interpretation of the character and institutions of the peoples of several European nations, "The Discovery of Europe," a book which was recommended strongly in these columns as a most excellent appraisal of the conditions of life and thought in Europe. Mr. Cohen-Portheim had rare powers of observation, and he wrote gracefully, clearly and forcefully.

A Naturalist's Adventures

Raymond Ditmars, curator of reptiles of the New York Zoological Park, has written a very interesting story of the "Thrills of a Naturalist's Quest" (New York: Macmillan. \$3.50). Mr. Ditmars has been a member of the staff of that great zoo for over twenty years. He is one of the most eminent authorities on snakes. He has written much about them, two of his books being "Snakes of the World" and "Reptiles of the World." In his latest book he writes informally and interestingly of his experiences in capturing and caring for snakes and animals of various kinds. He has had some exciting adventures with snakes—with the deadly bushmaster, the fer-de-lance, the king cobra, as well as with the larger and more harmless boa constrictors and pythons.

These sketches are not taken up altogether with snakes, however. There are accounts of dealings with elephants, apes, bears and other animals. The author tells

of an experience an electrician, who was also a pugilist, had with an orang-utan. The electrician had gone into a cage to make some repairs when the orang seized a coil of wire with his foot. The pugilist gave him a sharp rap on the jaw, but before he could get out of the way, the orang had doubled up his fist and had struck the boxer a blow under the eye which floored him.

"Thrills of a Naturalist's Quest" is all that the name implies. It gives the reader a great deal of information about animals and their habits, and there are enough thrills to satisfy the reader who likes plenty of adventure along with his science.

Reflections of a Statesman

Winston S. Churchill, a brilliant figure in British politics, formerly chancellor of the exchequer, prominent leader of the Conservative party, has published a series of essays called "Amid These Storms," in which he recounts many of the incidents of his career and gives his views upon a variety of subjects. One of his chapters deals with "Cartoons and Cartoonists." He describes the feelings which a public man has when he sees the cartoonists endowing him with characteristics, physical and otherwise, which he thinks he does not deserve. He tells of the influence upon his mind made by the cartoons on the American Civil War which appeared in the English magazine *Punch*. He discusses a number of the problems which arose during the World War, when he had charge of the British fleet.

One of the most striking of the chapters bears the caption "Shall We All Commit Suicide?" Mr. Churchill says that when the war came to an end it was just entering its most destructive phase. Had the Germans not surrendered when they did, they would have been attacked, he says, by new and deadly instruments. "Poison gases of incredible malignity, against which only a secret mask (which the Germans could not obtain in time) was proof, would have stifled all resistance and paralyzed all life on the hostile front subjected to attack. No doubt the Germans, too, had their plans." Mr. Churchill says that the human race has made a habit of war. People have always fought. But until recently the wars did not threaten the destruction of civilization. But now nations

have in their hands agencies for destruction hitherto unknown. "It is probable—nay, certain—that among the means which will next time be at our disposal will be agencies and processes of destruction, wholesale, unlimited, and perhaps, once launched, uncontrollable." This British statesman, who has held a responsible office during the conduct of a war and who is in a position to speak with some authority on military matters, proceeds with this reflection:

Man kind has never been in this position before. Without having improved appreciably in virtue or enjoying wiser guidance, it has got into its hands for the first time the tools by which it can unflinchingly accomplish its

own extermination. That is the point in human destinies to which all the glories and toils of men have at last led them. They would do well to pause and ponder upon their new responsibilities. Death stands at attention, obedient, expectant, ready to serve, ready to shear away the peoples *en masse*; ready, if called on, to pulverize, without hope of repair, what is left of civilization. He awaits only the word of command. He awaits it from a frail, bewildered being, long his victim, now—for one occasion only—his Master.

Let it not be thought for a moment that the danger of another explosion in Europe is passed. For the time being the stupor and the collapse which followed the World War ensure a sullen passivity, and the horror of war, its carnage and its tyrannies, has sunk into the soul, has dominated the mind, of every class in every race. But the causes of war have been in no way removed; indeed they are in some respects aggravated by the so-called peace treaties and the reactions following thereupon.

Quack Medicines

"Poison for Profit" is the title of an article which appeared in the December 21 issue of the *Nation*. The authors of this article, Mr. F. J. Schlink and Mr. Arthur Kallet, deplore the fraud and quackery connected with the patent medicine industry. And they deplore in even stronger terms the laxity of our laws in permitting the sale of "fake medicines." They cite a number of concrete illustrations showing the need for stricter

laws in order that the public may be protected against quacks in so vital a field as health. They believe that the federal Food and Drugs Act is wholly inadequate in this respect, as it only applies to the labels on bottled medicines and does not prevent the viciously misleading claims in newspaper, magazine, radio, handbill, drug-store-almanac, or mail advertising.

A Possible Program

A great deal of interest is attached to an article in the current issue of *Foreign Affairs*. It was written by Colonel Edward House, close personal friend and adviser of Woodrow Wilson during the better part of his two terms. Mr. Roosevelt kept in close contact with Colonel House throughout the presidential campaign, and it is expected that the colonel will exert considerable influence in the Roosevelt administration. For this reason, any statement of policy coming from him is regarded with keen interest.

His article in *Foreign Affairs* deals exclusively with Roosevelt's foreign policy. It is his belief that "the aim of the Democratic administration which assumes office on March 4 will be to liquidate the war—to liquidate it finally, so that world confidence may be restored, world trade freed of its shackles and the minds and energies of statesmen everywhere turned to new and constructive purposes." He says in effect: High tariff walls have strangled world trade; the United States must take the lead in lowering them. Our high tariff has prohibited our war debtors from paying us with goods, which is the most natural way of meeting international obligations.

"Luxury Liner"

A world in miniature, filled with people of all classes, temperaments and intellectual makeups, coming from several different nations, and all on board a modern ocean liner, is the setting of Gina Kaus' latest novel, "Luxury Liner" (New York: Ray Long and Richard R. Smith. \$2.00). Practically all the action of the story takes place during the eight-day crossing of the *Columbia* from Bremen to New York. The limitation of space, however, only enhances the author's opportunity to probe the emotions of her actors and to develop a tale

not surpassed in intensity and interest by a gripping detective story.

The writer of this book, a German woman who has gained wide popularity in her own country and abroad, has selected as her pivotal character a young German doctor whose wife has just run away with a wealthy American. Completely taken aback, the doctor pursues the lovers to Berlin only to find that they have booked passage for America on the *Columbia*. Through an old friend of school days whom he accidentally meets at Bremen, the young husband secures the position of ship doctor and is able to make the crossing in the hope of regaining his wife's affection. This part of the story, interesting though it is, does not furnish the material for an unusual piece of fiction that the doctor's various experiences in meeting

other passengers do. For in later episodes, we run the gauntlet of human emotions and passions with the major and minor characters.

Thus, from the psychological point of view, "Luxury Liner" is an interesting work. Even the doctor, in whom we are primarily interested, undergoes profound emotional transformations during the sea voyage. The reader wonders, right to the last, what will be his attitude toward his wife when they finally meet, for the first time, as

the ship pulls into New York harbor. Because of its wide human appeal, logical development and penetrating analyses, "Luxury Liner" is a book which will attract readers of varying interests.

"Earth Horizon"

Mary Austin, novelist, dramatist, essayist, poet, interpreter of the American Southwest, has written a story of her life, her intellectual development and her philosophy, under the title "Earth Horizon" (Boston: Houghton Mifflin. \$4).

Mrs. Austin was born in Carlinville, Illinois, in 1868. She moved to California eighteen years later and was graduated from Blackburn University. For sixteen years she lived in a desert region of California where she studied the Indians, their lives, their literature and their traditions. She was married in 1891 to S. W. Austin. During recent years she has lived in Santa Fe, New Mexico, and has kept alive her interest in the Indians and in the Southwest.

In "Earth Horizon" she tells the story of her life. Part of it is written in the first person and part in the third. She leaves out incidents which have little significance and selects her material in such a way as to tell the story of the development of her personality and of her ideas. The book is valuable as a sociological and psychological study, and at the same time it is interesting as the story of a remarkable woman's life.

Foreign Missions

Pearl S. Buck, distinguished authoress, whose "Good Earth" and "Sons" have won deserved recognition, has written an interesting article in the January *Harper's* on "Is There a Case for Foreign Missions?"

Miss Buck, herself a missionary, agrees there is much to be said against foreign missions, that in many instances they have failed in their tasks and that the average missionary is not equipped to do the work assigned him. Recognizing all this, she nevertheless advances the interesting argument that in her experience more genuine goodness has been detectable in regions in which Christianity has penetrated than in those in which it has not, and that hence, despite all weighty objections, there is a case for foreign missions.



PAUL COHEN-PORTHEIM



THE AMERICAN CIVIL WAR. (A CARTOON IN PUNCH)

Winston Churchill in "Amid These Storms" gives interesting anecdotes about the often powerful influence of cartoons.



By David S. Muzzey and Walter E. Myer

THE Jacksonian period is especially interesting because there appeared during the time of the Jackson administration several problems and issues which have recurred again and again in American history. There developed theories of government which are powerful in our own day. Jackson and his followers emphasized two governmental principles in particular—principles which are as much bones of contention at this time as they were a hundred years ago. One of these principles relates to the nature of representative government.

Andrew Jackson brought in a new idea. Before his time the notion of democracy had indeed prevailed. Jefferson was a convinced democrat. He believed in government by the people. But his thought was that the people should rule through their selection of representatives. The actual work of government should be in the hands of trained leaders. These leaders should devise and carry out political programs. The people, the ordinary citizens, should have and should exercise the privilege of choosing between groups of leaders and between the different programs which were being brought forward. But government should always be representative and not direct. The masses of the voters themselves should not aspire to high office. They should not participate directly in the determination of policies. The Jeffersonian theory, though democratic, savored of aristocracy.

The Jacksonians swept these aristocratic ideas aside. Their strength was in the West, and the West was a land of pioneers. The frontiersmen were very much alike. There were few specialists among them. They were all engaged in the rough work of developing a new country. A leader among them was likely to be a farmer or a merchant, and at the same time a lawyer or a judge, and also perhaps a commander of the military forces. It was natural, therefore, that there should have developed the idea that one man who had personality enough to command the respect or votes of his fellows was fit to take part in government. It was natural that there should have arisen the idea that the people themselves should exert a large political power—the idea that they should direct their elected representatives, rather than that their officials should govern and should allow them only to choose between conflicting governing forces.

This idea of rule by the people—this idea which was then new in American history—came with Jackson. There came the idea of rotation of office. It was said that offices should be divided up among the people; that a man should hold an office for a term and then give way to someone else in order that as many of the people as possible might hold the offices. The idea also prevailed that the ordinary citizens were competent to make up their minds on matters of public policy and that the officials should listen to the voice of the people. This idea can easily be seen to be a forerunner of the Progressivism which attained such strength about twenty to twenty-five years ago. The Progressives, like Jackson, spoke of the rule of the people. They thought that there had developed again a ruling class. They thought that the elected officials did not sufficiently represent the interests of

common citizens, and so they insisted upon making democracy more direct. They advocated the initiative and referendum by which a number of voters might sign a petition in favor of a certain kind of legislation, and by which, if the legislature did not enact the legislation, the proposed law might be submitted to a vote of all the people. This was a plan for legislation without legislators—a plan for direct legislation by the voters. It was also proposed that elected officials might be recalled at any time during their terms if a petition asking for a recall election were signed by a majority of the voters and if, then, a majority voted against the officials. It was even suggested that judges might be recalled. The people were thus to have direct control, not only of legislation, but of the action of courts. The conflict over this progressive program of direct legislation raised again the old issue which had arisen in Jackson's time and which, in one form or another, has been a bone of contention during the last century.

Another principle which Jackson stood for was that of presidential leadership. The common people were to have a voice in the determination of public policy, and their special representative was to be the executive. Jackson thus challenged those who had felt that the legislative branch of the government should

be supreme in matters of legislation—that is, in the determination of public policy with respect to public problems. This question of the proper influence of presidential leadership is always with us. In each administration we have illustrations of leadership, or the lack of it. President Hoover undertook late last month to assume a real leadership in the direction of policy relative to the international debts. He took a position which was contrary to that held by an overwhelming majority of the members of Congress, and he stated the reasons behind his position in a forceful message to Congress. He called for cooperation on the part of President-elect Roosevelt. Governor Roosevelt did not see fit to cooperate. He rejected the plan of working with President Hoover in the appointment and direction of a commission to consider a revision of the debts owed to this country. He did this because he has different ideas as to how the question of the revision of the debts should be studied. He believes it should not be done by a general commission but by negotiation with each separate country through the regular diplomatic channels. Whether the president-elect will assume a leadership in fighting for his own plan, or whether, on the other hand, he will follow the lead of Congress, remains to be seen. This is one of the questions to which the American people are giving anxious attention.

A hundred years ago this question as to whether the president of the United

States should be merely an administrative officer, with Congress taking the lead in legislative matters; or whether, on the other hand, the president should be a leader of opinion and a director of public policy with respect to the problems of the day, was being threshed out. Andrew Jackson was the president and he was insisting upon being a leader of the American people. He was not content merely to administer the laws. He was trying to determine what the laws should be. He insisted upon shaping legislation. He took it upon himself to fix the policy of the nation with respect to banking policy and other national problems.

He was opposed by a strong element in Congress led by Henry Clay. The congressional leaders insisted that Congress, and not the president, was responsible for legislative policy. They tried to cut down presidential power and presidential influence. They did not succeed at the time, because Andrew Jackson was a man of forceful personality, who succeeded in rallying a majority of the people of the country behind him. But the same issue has come up again and again in our history, and frequently it has happened that the president has lacked the vigor and the energy to impress his views upon the country and to secure from Congress the legislation he has demanded. In these cases leadership has been assumed by Congress, and the president has been one who has carried out, rather than originated public policy.

During the present century we have had two conspicuous examples of strong presidential leadership. Theodore Roosevelt was a national leader. He stirred the conscience of the nation. With great force and energy he called the attention of all the people to certain problems, and he succeeded in molding opinion and in enforcing upon Congress his conceptions of public policy. Woodrow Wilson similarly held to the theory that the president was not merely an executive but a shaper of legislation, and he, too, went to the people and stirred their consciences and influenced their thinking. Roosevelt and Wilson are therefore recent examples of presidents who have carried on the Jacksonian tradition of presidential leadership. Many presidents have been content to allow Congress to legislate without much pressure from the chief executive.

President Hoover has been in the difficult position of having to deal with a Congress either divided in its support of him or actively hostile. He has never been able to depend upon the Senate, and during the last two years of his administration he has been opposed by the House of Representatives. Nor has he been possessed of those arts which enable one to capture and fire the imagination of the people so as to create a public sentiment strong enough to whip Congress into line. Now we await a new administration. Prophecy as to which tradition of the presidency and of presidential leadership Mr. Roosevelt will assert is needless. We will not have long to wait. The new president will soon assume authority and he will at once be confronted by such challenging problems as few presidents have ever faced.

Meanwhile, the retiring president steps temporarily from the political scene and his political experience is lost. If the European practice were followed in America, President Hoover would take a seat in Congress after March 4 as the leader of the opposition.



—Courtesy McKinley Publishing Company
AN OLD CARTOON OF JACKSON

This depicts an incident toward the end of the president's administration when his power was weakening and his cabinet was resigning, "running away like rats from a falling house."

Problem of Boys "on the Road" Is Arousing Widespread Concern

The Children's Bureau of the Department of Labor sounds a note of warning in its twentieth annual report. Miss Grace Abbott, the head of this bureau, declares that "neglect of the health, education and general welfare of children will be permanently costly to the children and to the future of the country." She dwells at length upon the grave new problem of "wandering boys." This problem has gradually grown worse since its discovery a few months ago by the Children's Bureau. It is impossible to tell exactly how many of these youths there are "on the road," but conservative estimates place the number at 300,000. "The fact must be faced," Miss Abbott states, "that again this year, despite all efforts of a preventive character, many boys will take to the road, and these should be protected from as many of the physical and moral hazards of the life as possible."



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GRACE
ABBOTT

A majority of these wandering boys have been forced to leave their homes during the past two years because their parents have been so adversely affected by the depression. Unable to find employment in their towns, the boys are determined not to add to their families' burdens, so in desperation they have started travelling from city to city in an effort to find work. Far from being the habitual "hobo" or criminal type, many have more than average education and ability. Miss Abbott says that a check of 5,000 young men and boys by the Salvation Army in Atlanta, Georgia, during a period of four months showed that 194 had attended college and 1641 had been to high school.

This unpleasant picture presents a social problem of first rank. It is feared that unless these youths are helped they will become a continuing liability. They frequently come into contact with fugitives from justice who are planning new "jobs" and are looking for clever recruits. And even if these youths do not meet with evil influences, the longer they travel and acquire the nomad spirit, the more difficult it will be for them ever to settle down to a stable existence.

In addition to the moral influences which these youths encounter, there is also the question of health. Most of these youths go for days at a time without taking off their clothes to sleep at night; they face hunger and cold, and are constant preys to all kinds of diseases. Last winter, in one western city, thirty-five young men and boys were removed from box cars, seriously ill, some in an advanced stage of pneumonia. One railroad alone reported more than fifty youths killed and more than one hundred crippled as a result of attempting to board cars in motion.

The Children's Bureau has been carrying on a national publicity campaign warning boys of the hardships with which they will meet by roaming about the country. The Bureau also has urged welfare agencies throughout the country to make a supreme effort for the return of these wanderers to their respective homes, and has asked for state assistance in providing activities for idle hands.

But there are many who believe that this is a national problem and should be handled by the federal government. A number of these people have persuaded Pelham D. Glassford to lead a movement to obtain federal relief for these youths.



ON THE ROAD
Three hundred thousand youths are said to be "bumming" from one section of the country to the other.

—Courtesy Survey Graphic

Mr. Glassford will be remembered as the Washington chief of police who won nationwide distinction for the way in which he handled the bonus army last spring but who resigned his position some weeks ago because of disagreement with officials of the District of Columbia government. At the present time he is seeking a \$15,000,000 appropriation from Congress to finance a number of camps in which these young men could stay until they found employment. Mr. Glassford says he has spoken to a number of congressmen who are in favor of a federal grant to relieve this "unhealthy situation."

Regardless of whether Congress provides funds, Mr. Glassford plans to establish at least one camp in Maryland to care for as many of the wandering youths as possible. "These young men must be cared for somehow," he said. "It is a nationwide problem, a difficult problem, and I am going to devote my time to it."

In addition to the problem of transient boys, the Children's Bureau report also told of widespread undernourishment of children in certain mining areas. Miss Abbott said that extreme poverty was found to exist in coal mining states in the Middle West and South and in lumber communities in Mississippi and Michigan. Even in communities relatively more prosperous, she said, the amount of relief given to needy families in many places fell short of the minimum. The Bureau's report declares that state and federal cooperation is essential in providing immediate relief and in working out plans to give employment to everyone. Otherwise, the thousands of children who are now undernourished may

create serious problems for many years to come. With impaired health many may become permanent burdens upon society.

JEHOL

Trouble is again brewing between China and Japan. The Chinese say that Japan is supporting Manchuria's claim to the neighboring province of Jehol. The occupation of this province by combined Japanese and Manchukuo forces has long been anticipated. On December 15 a Japanese general said: "Jehol is destined to become an integral province of the new state (Manchukuo), but every effort will be exerted to win it over by political means before military forces are employed." Apparently the Japanese intend to wait no longer, as reports from this region tell of actual warfare being carried on at the present time. Feeling is running high in China, as the Chinese are of the opinion that this is merely another attempt of Japan's to acquire Chinese territory.

It will be interesting to observe Russia's reaction to this latest conquest. The recent treaty between Russia and China, resuming diplomatic relations after a five years' break, indicates a closer tie between these two countries. Furthermore, Russia is known to be alarmed at Japan's aggressive tactics so near Russian territory.

After conferences lasting several days, railway labor and capital have agreed that the ten per cent wage cut, which was to have expired February 1, will remain in force nine months longer.

Lovers of Music Pay Tribute to MacDowell

The month of January marks the twenty-third anniversary of Edward MacDowell's death. Each year music lovers pay tribute to this great musician who has often been called "the poet in American music." That he was one of the most outstanding composers



EDWARD
MACDOWELL

this country has ever produced is generally recognized. He is one of the few American composers whose works command the attention of foreigners.

He was born in New York City, December 18, 1861. His mother was determined that her son should be a famous musician. After studying several years with local teachers he went abroad and studied at the Paris and Frankfurt conservatories, later teaching in Germany. He became well known in Europe and when he returned to this country in 1888 his place in the musical world was established. He became head of the music department at Columbia University. His courses in history and appreciation of music were much sought after, as he created in these courses a live interest in what had theretofore been a dull subject.

All this time he was composing. His "Woodland Sketches," which include "To a Wildrose," are perhaps his most popular compositions. They are beautiful melodic pieces. But his piano sonatas stand out foremost among his works and hearing them makes one regret that MacDowell

died at such an early age. He lived only forty-seven years.

A colony has been established in Peterboro, New Hampshire, in honor of MacDowell, and every summer, musicians, artists, and others doing creative work, go to this colony to carry on their work.

JOSEPH PAUL-BONCOUR

The new French premier, Joseph Paul-Boncour, (see page 4) is not a novice at politics. On the contrary he is a seasoned politician, and is well acquainted with the will of his people. In 1906 he was "a man without a party" but his vigorous support



© Martin
JOSEPH
PAUL-BONCOUR

of trade unions enabled him to win a seat in the Chamber of Deputies on an independent Socialist ticket. Just five years later he became minister of labor. In 1914 he officially entered the Socialist party (the party in France which, next to the Communist, leans farthest to the left)

and was twice reelected to the Chamber. It was not long before he became one of the outstanding leaders of his party. In 1928 he was appointed delegate to the League of Nations from France but resigned a short time later, when his party found it impossible to support the policies of the government then in power. More recently he has been head of France's delegation to the disarmament conference, and it was in this capacity that he became internationally known. He was minister of war in Herriot's cabinet and advised with Herriot before selecting the members of his own cabinet.

Huey Long, Louisiana Kingfish, Has Won Place Among Strong Personalities of Senate

"The Kingfish of Politics" is the title often given to Senator Huey Long of Louisiana. His facetious orations in the Senate and in his state brought him this nickname. He can speak on the most technical and serious subjects, yet he never fails to inject much humor into his addresses. His wild gesticulations and facial expressions bring forth thunderous laughter everywhere he speaks. And he always tells a number of comical stories to the delight of his listeners. Many believe him to be a demagogue while others contend that he has a program and has the ability to carry it through.

In 1924 Mr. Long made his first race for the governorship of Louisiana and was defeated. Four years later he ran again and won. While governor, he became a virtual dictator in state politics. An enraged state legislator once thrust a copy of the Louisiana constitution at Senator Long and demanded: "Did you ever hear of this?" Mr. Long tossed the document aside and retorted: "I am the constitution."

Two years after he became governor Mr. Long ran for the United States Senate and was elected by a good majority. His appearance in the Senate created quite a stir,



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SENATOR
HUEY LONG

when he offered a resolution which limited individual incomes to \$1,000,000 a year. This was the opening gun in his present program to decentralize wealth. The Democratic floor leader, Senator Robinson, refused to support or have anything to do with this resolution. Huey Long immediately resigned all his committee appointments, refusing honors from a party leadership which stood for a "favored class." The next step in his fight with Robinson was a whirlwind primaries campaign in Arkansas to nominate Mrs. Hattie Caraway whom Robinson opposed.

Soviet Russia Completes First Five Year Plan of Construction

(Concluded from page 1)

It is not so hard to win the enthusiasm of the people when few years are involved. The words Five Year Plan provide a good slogan. It gives the people something definite to work for. When the Five Year Plan was begun in October, 1928, the Soviet authorities estimated that it would probably take fifteen years to modernize Russia to the point where she could produce as much as the United States. They hope to complete their experiment by 1943—to have by that time, a modern, powerful, industrial nation organized according to communist principles. The Five Year Plan, therefore, is only the first stage in a larger and more ambitious program.

But all this does not mean that figures are entirely to be ignored in considering the success of the Five Year Plan. On the contrary, they are the indices which reveal the degree to which the industrial, the agricultural and the many other programs are progressing satisfactorily. We have only sought to emphasize the point that the Five Year Plan is something more than a maze of statistics. It is a broad chart mapping the course of a nation.

Achievements

To what extent, then, has this first stage in Russia's planning experiment been successful? As far as definite schedules are concerned, it is not possible to give exact statistics, as the figures for the year 1932 are not yet available. It is estimated, however, that the industrial program has been fulfilled from 60 to 80 per cent of the goal established in 1928. It is harder to gauge the agricultural program. At first the plan called for collectivizing, or placing on a socialized basis under a system of public ownership, one-third of the peasant holdings. Actually two-thirds of the peasant land and four-fifths of the acreage under cultivation have been so converted. But here figures fail us. It would seem, on the face of it, that this feature of the plan has been a great success. It has been perhaps, insofar as the matter of reorganization is concerned. However, this reorganization has been attended by serious difficulties which make the figures less impressive as we shall presently see. Just now, let us keep to the favorable side.

It cannot be doubted that Russia has made tremendous progress in industrial expansion during the past four and a quarter years. Before that time she was almost completely an agricultural nation. But now great factories, power plants, railway terminals, warehouses and airports

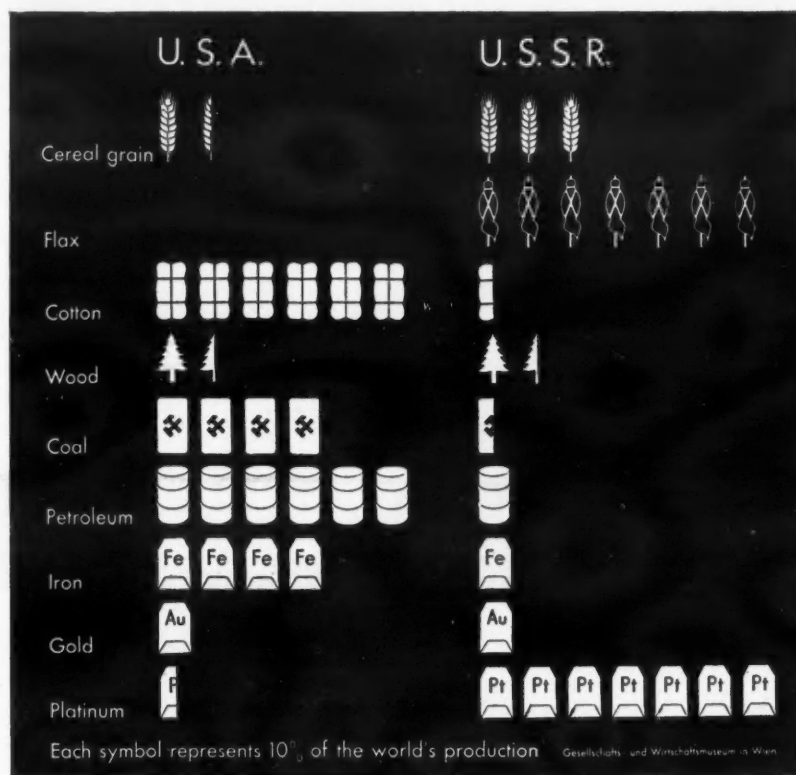
stand in vivid contrast to the Russia of yesterday. "The face of the country is being changed literally beyond recognition," writes Louis Fischer to the *Nation* from Moscow. He continues:

This is true of Moscow, with hundreds of streets and squares paved, with thousands of new electric lights, with new suburbs, new buildings, and a cordon of new factories on its outskirts, and it is true of smaller and less important cities. New towns have sprung out of the steppe, the wilderness and the desert—not just a few towns, but at least fifty of them with populations of from 50,000 to 250,000—all in the last four years, each constructed around an enterprise for the development of some natural resource. Hundreds of new district power stations and a handful of "giants" like Dnieperstroy are gradually putting reality into Lenin's formula: "Electricity plus Soviets equals socialism." Roadless Russia of the mujik's cart has today highways and 65,000 automobiles and trucks as compared with 18,000 in 1927. Railroads are being electrified; numerous steam railways are being built; the Moscow subway is under construction; two new pipe-lines facilitate Caucasian oil exports; the digging of the Moscow-Volga canal has been started; a network of civil airlines covers the country; whole territories have been reclaimed from desert and tundra.

This is indeed a glowing picture of progress and is representative of the comment coming out of Russia on the occasion of the ending of the first Five Year Plan. It is the good side of the picture. Russia has witnessed an unprecedented period of construction. But mere physical construction is not enough to convert a nation into a socialized state. There is another element, in the long run far more important, which must be considered. This is the attitude and temper of the people. This factor will determine, much more than the construction of a series of hydroelectric developments, whether the Soviet experiment will be ultimately successful, granting that it is practicable in theory. We must inquire, therefore, into whether the Soviets have succeeded in any degree in converting the masses to their cause. Everything depends upon this.

Peasant Resistance

It appears that they have not achieved great success in making such a conversion, and in this respect the Five Year Plan has not done all that was expected of it. This fact is most apparent among the agricultural element, which constitutes the bulk of Russia's entire population. These people, the peasants, have for the most part not taken kindly to the idea of agriculture on a socialistic basis. They have been forced into collective farms against their wills. As a result many of them have not cooperated with the government. They



—Courtesy Survey Graphic and Otto Neurath

U. S. A. AND U. S. S. R.—COMPARED PRODUCTION OF BASIC COMMODITIES

have been reluctant to produce crops and in numerous cases have killed their livestock rather than have it taken over by a government collective. The peasants seem still to be wedded to individualism, and do not feel that they would be better off under a different system.

In industrial districts the task of making converts to the Soviet system has been easier, although it has not been entirely successful. Many workers have remained dissatisfied with the life they must lead. They have not felt an incentive to stick to any particular job, and have drifted from one factory to another. The government has been grappling with a serious problem of floating labor which indicates that a great many workers are unhappy.

This situation, among peasants and industrial workers, is the fundamental difficulty impeding the progress of the Soviet experiment. The authorities in Moscow must succeed in convincing the people that it is to their own best interest to cooperate willingly with the government in its effort to build a communist state.

Food Shortage

There have been other difficulties and apparent defects in planning which the Soviets consider but temporary, but which nevertheless must be noted. For example, it has not been easy to obtain foreign credits and loans with which to make the vast purchases of equipment necessary to press forward the program of industrial development. Other nations, capitalistic nations, have not been too ready to trust the Soviets and have not been overconfident of their ability to repay loans. In consequence Russia has been obliged to develop her export trade as much as possible in order to secure the credits necessary for the making of foreign purchases. She has been forced to sell goods which she needed for her own consumption. This accounts, together with resistance to collectivization on the part of peasants, for the present serious food shortage in the country. The Soviets have had to send food abroad which should have gone to feed their own people. As a result the nation is facing a critical winter.

And then there has been the difficulty of educating the people to produce and use

machinery. The Russians are fundamentally an agricultural people, and the percentage of literacy has not been high. They have taken clumsily to the introduction of the machine. Much of what has come out of the factories has been of inferior quality; there has been tremendous waste and inefficiency in management—all this due largely to ignorance. Much of this, it seems, might have been avoided had the Soviets progressed more slowly. However, in their fervor to fulfill schedules, and in their anxiety to avoid the wrath of their superiors, those in charge of the factories have laid greater stress on quantity than on quality. It was more important to them to produce fifty poor tractors than fifty good tractors.

Growing Pains?

But these latter difficulties the Soviets consider to be nothing more than growing pains. They expected waste, and are confident that time, experience and education will redeem the situation. They agree that they have laid great stress on the construction of the equipment necessary to produce goods, and have not given the individual the attention he should have had. They felt that it was necessary to make sacrifices in order to obtain this equipment. Now that they have secured a good part of it, they intend to devote their efforts toward the production of goods, not solely for the purpose of developing their export trade (they are more self-sufficient now than they were formerly) but for the purpose of bettering the condition of the peasant and worker.

It is the contention of the Soviet authorities that if they can succeed in distributing more goods to the masses, and thus raise the general standard of living, then the people will begin to accept Soviet theories. This will probably be the principal objective of the next five year plan, scheduled to start the first of this month, but evidently postponed for a while in order that the country may have a brief breathing spell. For the moment Russia is taking stock of what she has accomplished and of what she has failed to accomplish. On the whole the authorities at Moscow appear well satisfied. They consider the plan a success, and point out that they have avoided unemployment and have weathered the economic storm better than most other countries. Their ardor is unchecked and they are as convinced as ever that the future of Russia and of the world lies in Communism. Their experiment has already lasted longer than most people thought it would, and they believe that in time their dream of a world revolution will become a reality.



—From Economic Review of the Soviet Union

THE GREAT STALINGRAD TRACTOR PLANT
Under the impetus of the Five Year Plan Russia has become the world's largest producer of agricultural machinery.